

Statement of PPL Montana
Before the Senate Judiciary Committee
Of the Montana State Senate
Regarding Senate Bill No. 67
January 9, 2007

SENATE JUDICIARY

Exhibit No. 4

Date 9 JAN 07

Bill No. 67

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PPL Montana, LLC, ("PPL") appreciates this opportunity to comment on Senate Bill No. 67. Generally, we recognize that many states have laws prohibiting "unconscionable pricing" or "price gouging" during emergencies.

PPL has only one concern with this proposed legislation, and that concern can easily be addressed. As drafted, the proposed law covers all persons selling an essential good or service, at wholesale or retail. However, this language encompasses entities such as PPL and other entities whose rates are already regulated by a Federal or State agency.

Where rates are regulated by entities such as the Montana Public Service Commission or the Federal Energy Regulatory Commission, there is little reason for additional price regulation authority such as that contained in the bill. Any entity can file a complaint against a federal or state regulated utility before the appropriate regulatory agency and receive pricing relief that can begin as soon as the complaint is filed. With regard to wholesale power sellers, the U.S. Congress strengthened significantly the FERC's extensive powers in this area in the Energy Policy Act of 2005.

For this reason, PPL requests that you consider an amendment to add a nonapplicability section for entities whose rates are regulated by state or federal regulators who can provide the same or even greater relief. I have submitted a proposed amendment for your consideration.

This proposed amendment has one other beneficial effect. In some industries, such as wholesale power sales, the Federal government has acted to pre-empt state regulation of prices for sales. For this reason, there is a pre-emption issue with the proposed legislation that the proposed amendment resolves without the need to resort to litigation. This helps to provide clarity and certainty during emergencies that may arise in the future.

I appreciate the opportunity to comment on Senate Bill No. 67, and stands ready to discuss these matters further if needed.